



Arnold Schwarzenegger
Governor

May 3, 2010
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Mr. Stewart Knox, Executive Director
Northern Rural Training Employment Consortium
525 Wall Street
Chico, CA 95928

Dear Mr. Knox:

AMERICAN RECOVERY AND REINVESTMENT ACT
PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the Northern Rural Training Employment Consortium's (NoRTEC's) activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA). We focused this review on the following areas: program administration, local level monitoring, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and program operations including ARRA activities and participant eligibility.

This review was conducted by Mr. Larry Yanni from March 8, 2010, through March 11, 2010.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by NoRTEC with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

We collected the information for this report through interviews with NoRTEC representatives and service provider staff. In addition, this report includes the results of our review of sampled case files, NoRTEC's response to Sections I and II of the ARRA Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2009-10.

BACKGROUND

For PY 2009-10, NoRTEC was allocated: \$1,815,642 to serve 320 adult participants; \$4,311,949 to serve 1,012 youth participants; and \$3,376,394 to serve 375 dislocated worker participants.

For the quarter ending March 30, 2010, NoRTEC reported the following expenditures for its ARRA funded activities: \$1,534,138 for adult participants; \$3,868,493 for youth participants; and \$2,558,362 for dislocated worker participants. In addition, NoRTEC reported the following enrollments: 342 adult participants; 1,019 youth participants; and 377 dislocated worker participants. We reviewed case files for 32 of the 1,738 participants enrolled in ARRA funded activities as of March 30, 2010.

PROGRAM REVIEW RESULTS

We conclude that, overall, NoRTEC is meeting applicable ARRA requirements concerning its program operations. This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is NoRTEC's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, federal and state regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain NoRTEC's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Jennifer Shane at (916) 654-1292.

Sincerely,,



JESSIE MAR, Chief
Compliant Monitoring Section
Compliance Review Office

cc: Linda Beattie, MIC 50
Daniel Patterson, MIC 45
Jose Luis Marquez, MIC 50
Greg Gibson, MIC 50